IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants:	Hong M. Dang et al.	§	Art Unit:	3627
Serial No.:	09/995,294	§	Examiner:	Elaine L. Gort
Filed:	November 26, 2001	§		
For:	An Intelligent Apparatus, System and Method for Financial Data Computation, Report Remittance and Funds Transfer Over an Interactive Communications Network	§	Atty. Dkt. No.:	100111405-2 (HPC.0341US)

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APPEAL BRIEF PURSUANT TO 37 C.F.R § 41.37

Sir:

The final rejection of claims 1, 2, 4, 6, 7, 9-14, and 17-25 is hereby appealed.

I. REAL PARTY IN INTEREST

The real party in interest is Hewlett-Packard Development Company, L.P.

II. RELATED APPEALS AND INTERFERENCES

None.

III. STATUS OF THE CLAIMS

Claims 1, 2, 4, 6, 7, 9-14, and 17-25 have been finally rejected and are the subject of this appeal. Claims 3, 5, 8, 15, 16 have been cancelled.

Date of Deposit: August 11, 2008

I hereby certify under 37 CFR 1.8(a) that this correspondence is being transmitted electronically to the U.S. Patent Office on the date indicated above.

Ginger Yount

Ginger Yount

IV. STATUS OF AMENDMENTS

No amendment after final rejection dated March 18, 2008, has been submitted.

V. SUMMARY OF THE CLAIMED SUBJECT MATTER

The following provides a concise explanation of the subject matter defined in each of the independent claims involved in the appeal, referring to the specification by page and line number and to the drawings by reference characters, as required by 37 C.F.R. § 41.37(c)(1)(v). Each element of the claims is identified by a corresponding reference to the specification and drawings where applicable. Note that the citation to passages in the specification and drawings for each claim element does not imply that the limitations from the specification and drawings should be read into the corresponding claim element.

Independent claim 1 recites an intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authorities over an interactive communications network, the system comprising:

> a first server (Fig. 3:40) associated with a merchant and hosting a first virtual portal (Fig. 3:41), the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network (Spec., p. 25, lines 2-7); and
>
> a service provider computer system (Fig. 1:102) associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server (Fig. 3:50) hosting a second virtual portal (Fig. 3:51), the second virtual portal having at least one application for receiving data from the first server and for parsing the data received (Spec., p. 25, lines 7-10);

a communications infrastructure (Fig. 3:21) linking the first and second servers to one another (Spec., p. 25, lines 10-12);

a third server (Fig. 3:60) hosting a third virtual portal (Fig. 3:61), the third virtual portal having at least one application for receiving transactional data from the second server, parsing the transactional data received for XML-based data, interpreting the XML-based data for selected data processing operations, storing the XML-based data in a first selected file of a first database, computing any taxes due on the corresponding transaction, and storing the tax due in a second selected first database file (Spec., p. 25, lines 13-18); and

a fourth server (Fig. 3:80) hosting a fourth virtual portal (Fig. 3:81), the fourth virtual portal having at least one application for receiving XML-based data from the third server, converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, lines 19-p. 26, line 1).

Independent claim 2 recites an intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authorities over an interactive communications network, the system comprising:

a first server (Fig. 3:40) associated with a merchant and hosting a first virtual portal (Fig. 3:41), the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network (Spec., p. 25, lines 2-7);

a service provider computer system (Fig. 1:102) associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server (Fig. 3:50) hosting a second virtual portal (Fig. 3:51), the second virtual portal having at least one application for receiving data from the first server and for parsing the data received (Spec., p. 25, lines 7-10);

a communications infrastructure (Fig. 3:21) linking the first and second servers to one another (Spec., p. 25, lines 10-12);

a third server (Fig. 3:60) hosting a third virtual portal (Fig. 3:61), the third virtual portal having at least one application for receiving transactional data from the second server, parsing the transactional data received for XML-based data, interpreting the XML-based data for selected data processing operations, storing the XML-based data in a first selected file of a first database, computing any taxes due on the corresponding transaction, and storing the tax due in a second selected first database file (Spec., p. 25, lines 13-18);

a fourth server (Fig. 3:80) hosting a fourth virtual portal (Fig. 3:81), the fourth virtual portal having at least one application for receiving XML-based data from the third server, converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, line 19-p. 26, line 1);

a fifth server (Fig. 3:110) hosting a fifth virtual portal (Fig. 3:111), the fifth virtual portal having at least one application redundant to that of the third server (Spec., p. 26, lines 6-8); and

a sixth server (Fig. 3:130) hosting a sixth virtual portal (Fig. 3:131), the sixth virtual portal having at least one application redundant to that of the fourth server (Spec., p. 26, lines 13-14).

Independent claim 4 recites an intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authorities over an interactive communications network, the system comprising:

a first server (Fig. 3:40) associated with a merchant and hosting a first virtual portal (Fig. 3:41), the first virtual portal having at least one application for

providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network (Spec., p. 25, lines 2-7); and

a service provider computer system (Fig. 1:102) associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server (Fig. 3:50) hosting a second virtual portal (Fig. 3:51), the second virtual portal having at least one application for receiving data from the first server and for parsing the data received (Spec., p. 25, lines 7-10);

a communications infrastructure (Fig. 3:21) linking the first and second servers to one another (Spec., p. 2, lines 10-12);

a third server (Fig. 3:60) hosting a third virtual portal (Fig. 3:61), the third virtual portal having at least one application for receiving transactional data from the second server, parsing the transactional data received for XML-based data, interpreting the XML-based data for selected data processing operations, storing the XML-based data in a first selected file of a first database, computing any taxes due on the corresponding transaction, and storing the tax due in a second selected first database file (Spec., p. 25, lines 13-18); and

a fourth server (Fig. 3:80) hosting a fourth virtual portal (Fig. 3:81), the fourth virtual portal having

at least one application (Fig. 3:82) for receiving XML-based data from the third server, converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, line 19-p. 26, line 1); and

at least one application (Fig. 3:83) for insuring system security over the interactive communications network, for system backup and recovery operations, for system real-time and continuous accessibility, for operating system monitoring and for system load balancing and scalability (Spec., p. 26, lines 1-5).

Independent claim 6 recites an intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same

to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the system comprising:

a first server (Fig. 3:40) associated with a merchant and hosting a first virtual portal (Fig. 3:41), the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network (Spec., p. 25, lines 2-7);

a service provider computer system (Fig. 1:102) associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server (Fig. 3:50) hosting a second virtual portal (Fig. 3:51), the second virtual portal having at least one application for receiving data from the first server and for parsing the data received (Spec., p. 25, lines 7-10);

a communications infrastructure (Fig. 3:21) linking the first and second servers to one another (Spec., p. 25, lines 10-12);

a third server (Fig. 3:60) hosting a third virtual portal (Fig. 3:61), the third virtual portal having at least one application for receiving data from the second server, parsing the data received for XML-based data and interpreting the XML-based data for selected data processing operations (Spec., p. 25, lines 13-18); and

a fourth server (Fig. 3:80) processing XML-based data from the third server, the fourth server including

a network service module (Fig. 1:170) having a plurality of modular functions, which comprise an applications module, a database module, a tax computation module and a tax remittance module, the service module receiving XML-based transactional data, storing the transactional data in a first selected file of the database, computing any taxes due on the corresponding transaction, storing the tax due in a second selected file of the database, converting the second file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, line 19-p. 26, line 1; p. 30, line 10-p. 31, line 2); and

an infrastructure service module (Fig. 1:160) having a series of discrete modular functions including a security module for insuring system security over the interactive communications network, a system backup

and recovery module, a real-time and continuous accessibility module, a system monitoring module and a system load balancing and scalability module (Spec., p. 26, lines 1-5; p. 29, lines 4-17).

Independent claim 7 an intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the system comprising:

a first server (Fig. 3:40) associated with a merchant and hosting a first virtual portal (Fig. 3:41), the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network (Spec., p. 25, lines 2-7);

a service provider computer system (Fig. 1:102) associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server (Fig. 3:50) hosting a second virtual portal (Fig. 3:51), the second virtual portal having at least one application for receiving data from the first server and for parsing the data received (Spec., p. 25, lines 7-10);

a communications infrastructure (Fig. 3:21) linking the first and second servers to one another (Spec., p. 25, lines 10-12);

a third server (Fig. 3:60) hosting a third virtual portal (Fig. 3:61), the third virtual portal having at least one application for receiving data from the second server, parsing the data received for XML-based data and interpreting the XML-based data for selected data processing operations; and

a fourth server (Fig. 3:80) processing XML-based data from the third server, the fourth server including

a network service module (Fig. 1:170) having a plurality of modular functions, which comprise an applications module, a database module, a tax computation module and a tax remittance module, the service module receiving XML-based transactional data, storing the transactional data in a first selected file of the database, computing any taxes due on the corresponding

transaction, storing the tax due in a second selected file of the database, converting the second file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, line 19-p. 26, line 1, p. 30, lines 10-p. 31, line 2); and

an infrastructure service module (Fig. 1:160) having a series of discrete modular functions including a security module for insuring system security over the interactive communications network, a system backup and recovery module, a real-time and continuous accessibility module, a system monitoring module and a system load balancing and scalability module (Spec., p. 26, lines 1-5; p. 29, lines 4-17);

a fifth server (Fig. 3:110) hosting a fifth virtual portal (Fig. 3:111), the fifth virtual portal having at least one application redundant to that of the third server (Spec., p. 26, lines 6-8); and

a sixth server (Fig. 3:130) hosting a fifth virtual portal (Fig. 3:131), the sixth virtual portal having at least one application redundant to that of the fourth server (Spec., p. 26, lines 13-14).

Independent claim 9 recites an intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the system comprising:

a first server (Fig. 3:40) associated with a merchant and hosting a first virtual portal (Fig. 3:41), the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network (Spec., p. 25, lines 2-7);

a service provider computer system (Fig. 1:102) associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server (Fig. 3:50) hosting a second virtual portal (Fig. 3:51), the second virtual portal having at least one application for receiving data from the first server and for parsing the data received (Spec., p. 25, lines 7-10);

a communications infrastructure (Fig. 3:21) linking the first and second servers to one another (Spec., p. 25, lines 10-12);

a third server (Fig. 3:60) hosting a third virtual portal (Fig. 3:61), the third virtual portal having at least one application for receiving data from the second server, parsing the data received for XML-based data and interpreting the XML-based data for selected data processing operations (Spec., p. 25, lines 13-18); and

a fourth server (Fig. 3:80) hosting a fourth virtual portal (Fig. 3:81), the fourth virtual portal having at least one application for processing XML-based data from the third server, the fourth server including a network service module (Fig. 1:170) having a plurality of modular functions, which comprise an applications module, a database module, a tax computation module and a tax remittance module, the service module receiving XML-based transactional data, storing the transactional data in a first selected file of the database, computing any taxes due on the corresponding transaction storing the tax due in a second selected file of the database, converting the second file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, line 19-p. 26, line 1; p. 30, line 10-p. 31-line 2); and

a fifth server (Fig. 3:130) hosting a fifth virtual portal (Fig. 3:131), the fifth virtual portal having at least one application for processing XML-based data from the third server, the fifth server including an infrastructure service module (Fig. 1:160) having a series of discrete modular functions, including a security module for insuring system security over the interactive communications network, a system backup and recovery module, a real-time and continuous accessibility module, a system monitoring module and a system load balancing and scalability module (Spec., p. 26, lines 13-22, p. 29, lines 4-17).

Independent claim 10 recites a service provider computer system (Fig. 1:102) associated with a service provider for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the service provider computer system having a modular architecture which comprises:

> a web server (Fig. 3:50) to receive XML-based transactional data from servers associated with corresponding merchants that are subscribers of the service provider (Spec., p. 25, lines 2-12);
>
> a first device (Fig. 3:60) having modular applications programming for receiving the XML-based transactional data from the web server and storing the data in a first selected file (Spec., p. 25, lines 13-18);
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> a second device (Fig. 3:70) having modular database programming for storing the first selected file (Spec., p. 25, lines 15-17);
>
> a third device (Fig. 3:60) having modular tax computation programming for computing any taxes due on the corresponding transactions, and effecting storage of the taxes due in a second selected file (Spec., p. 25, lines 17-18); and
>
> a fourth device (Fig. 3:80) having modular tax remittance programming for converting the second selected file from an XML-based format to a TXP-based format for use in an automated clearinghouse network and periodically transmitting the file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, line 19-p. 26, line 1).

Independent claim 11 recites a program controlled apparatus for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the apparatus having modular architecture which comprises:

> a first device (Fig. 3:40) having modular interface programming for a subscriber system (Fig. 1:101) that electronically contacts a service provider each time a taxable transaction is initiated, wherein the subscriber system is associated with a merchant that is a subscriber of the service provider (Spec., p. 25, lines 2-7; p. 37, lines 20-22; p. 39, lines 15-22);
>
> a service provider computer system (Fig. 1:102) associated with the service provider, comprising:
>
> a second device (Fig. 5:175) having modular tax computation programming operating on a server of the service provider computer system, the programming identifying the jurisdiction from which the merchandise purchased has been shipped, the jurisdiction to which the merchandise is shipped, the effective tax rates applicable from each jurisdiction (Spec., p. 34, lines 5-9);
>
> a third device (Fig. 5:175; Fig. 5:178) having modular transaction processing programming for consummating the transaction requested, the modular tax computation programming of the second device calculating any taxes due on the transaction (Spec., p. 30, lines 16-20; p. 34, lines 19-21);
>
> a fourth device (Fig. 9:180) having modular funds transfer programming for automatically receiving information on the transaction consummation and effecting electronic transfer of the funds corresponding to the taxes due to an account of a selected financial institution (Spec, p. 35, lines 1-4);
>
> a fifth device (Fig. 9:181) having modular tax payment programming for periodic transfer of funds aggregated in the account to at least one account of the government authority (Spec., p. 35, lines 4-7);
>
> a sixth device (Fig. 9:183) having modular reporting and/or auditing programming for generating interactive reports and for permitting auditing by the government authority (Spec., p. 35, lines 7-9); and

a seventh device (Fig. 9:185) having modular tax return programming for automated generation of a tax return and transmitting the return electronically to the government authority (Spec., p. 35, lines 9-10).

Independent claim 12 recites an intelligent, program controlled service provider system (Fig. 1:102) associated with a service provider and having architecture for providing tax computation and remittance services over an interactive communications network, the service provider system including:

a web server (Fig. 3:50) to receive XML-based transactional data from servers associated with corresponding merchants that are subscribers of the service provider (Spec., p. 25, lines 2-12);

a first device (Fig. 3:60) having modular applications programming for receiving the XML-based transactional data from the web server and storing the data in a first selected file (Spec., p. 25, lines 13-18);

a second device (Fig. 3:70) having modular database programming for storing the first selected file (Spec., p. 25, lines 15-17);

a third device (Fig. 3:60) having modular tax computation programming for computing in real-time any taxes due on the corresponding transaction, and effecting storage of the taxes due in a second selected file (Spec., p. 25, lines 17-18); and

a fourth device (Fig. 3:80) having modular tax remittance programming for converting the second selected file from an XML-based format to a TXP-based format for use in an automated clearinghouse network and periodically transmitting the file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, line 19-p. 26, line 1).

Independent claim 13 recites an intelligent, program controlled service provider system (Fig. 1:102) associated with a service provider and having modular architecture for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government

authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the service provider system comprising:

> a web server (Fig. 3:50) to receive XML-based transactional data from servers associated with corresponding merchants that are subscribers of the service provider (Spec., p. 25, lines 2-12);
>
> a first device (Fig. 3:60) having modular applications programming for receiving the XML-based transactional data from the web server and storing the data in a first selected file (Spec., p. 25, lines 13-18);
>
> a second device (Fig. 3:70) having modular database programming for storing the first selected file (Spec., p. 25, lines 15-17);
>
> a third device (Fig. 3:60) having modular tax computation programming computing any taxes due on the corresponding transaction, and effecting storage of the taxes due in a second selected file (Spec., p. 25, lines 17-18); and
>
> a fourth device (Fig. 3:80) having modular tax remittance programming for converting the second selected file from an XML-based format to a TXP-based format for use in an automated clearinghouse network and periodically transmitting the file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority (Spec., p. 25, line 19-p. 26, line 1).

Independent claim 14 recites a program controlled system having modular architecture for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the system comprising:

> a first device (Fig. 3:40) having modular interface programming for a subscriber system (Fig. 1:101) that electronically contacts a service provider each time a taxable transaction is initiated, wherein the subscriber system is associated with a merchant that is a subscriber of the service provider (Spec., p. 25, lines 2-7; p. 37, lines 20-22; p. 39, lines 15-22);
>
> a service provider computer system (Fig. 1:102) associated with the service provider, comprising:

a second device (Fig. 5:175) having modular tax computation programming operating on a server of the service provider computer system, the programming identifying the jurisdiction from which the merchandise purchased has been shipped, the jurisdiction to which the merchandise is shipped, the effective tax rates applicable from each jurisdiction (Spec., p. 34, lines 5-9);

a third device (Fig. 5:175; Fig. 5:178) having modular transaction processing programming for consummating the transaction requested, the modular tax computation programming of the second device calculating any taxes due on the transaction (Spec., p. 30, lines 16-20; p. 34, lines 19-21);

a fourth device (Fig. 9:180) having modular funds transfer programming for automatically receiving information on the transaction consummation and effecting electronic transfer of the funds corresponding to the taxes due to an account of a selected financial institution (Spec., p. 35, lines 1-4);

a fifth device (Fig. 9:181) having modular tax payment programming for periodic transfer of funds aggregated in the account to at least one account of the government authority (Spec., p. 35, lines 4-7);

a sixth device (Fig. 9:183) having modular reporting and auditing programming for generating interactive reports and for permitting auditing by the government authority (Spec., p. 35, lines 7-9); and

a seventh device (Fig. 9:185) having modular tax return programming for automated generation of a tax return and transmitting the return electronically to the government authority (Spec., p. 35, lines 9-10).

Independent claim 20 recites a service provider computer system (Fig. 1:102) associated with a service provider to provide a tax calculation and payment service, the service provider computer system comprising:

a web server (Fig. 3:50) to receive transaction requests from subscriber computer systems associated with corresponding merchants who have subscribed to the tax calculation and payment service of the service provider (Spec., p. 25, lines 2-12);

one or more additional servers having a services module executable in the one or more additional servers, the services module comprising:

a first module (Fig. 9:171) to store transaction data of the transaction requests in at least one first file (Spec., p. 30, lines 10-12);

a tax computation module (Fig. 5:175) to compute tax due on transactions corresponding to the transaction data and to store the tax due in at least one second file (Spec., p. 30, lines 16-18); and

a tax remission module (Fig. 5:177) to convert the at least one second file from a first format to a second format for use by an automated clearinghouse network, and the tax remission module to transmit the at least one second file in the second format to a financial institution for remission of funds relating to the tax due (Spec., p. 30, line 21-p. 31, line 2).

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Claims 1, 2, 4, 6, 7, 9-13, 17-19, and 23-25 Rejected Under 35 U.S.C. § 103 Over U.S. Patent Application Publication No. 2002/0052792 (Johnson) in View of "Examiner's Official Notice."

B. Claims 14 and 20-22 Rejected Under 35 U.S.C. § 102 as Anticipated by Johnson.

VII. ARGUMENT

The claims do not stand or fall together. Instead, Appellant presents separate arguments for various independent and dependent claims. Each of these arguments is separately argued below and presented with separate headings and sub-headings as required by 37 C.F.R. § 41.37(c)(1)(vii).

A. Claims 1, 2, 4, 6, 7, 9-13, 17-19, and 23-25 Rejected Under 35 U.S.C. § 103 Over U.S. Patent Application Publication No. 2002/0052792 (Johnson) in View of "Examiner's Official Notice."

1. Claims 1, 2, 4, 17-19.

In the rejection of the claims as being obvious, the Examiner basically took the position that various claim elements not disclosed by Johnson were "notoriously old and well known," and thus took official notice of such claim elements. 3/18/2008 Office Action at 5. The taking of official notice in the manner performed by the Examiner is clearly improper.

As stated by the M.P.E.P., "notice of facts beyond the record which may be taken by the examiner must be 'capable of such instant and unquestionable demonstration as to defy

dispute'." M.P.E.P. § 2144.03 (8th ed., Rev. 6), at 2100-145. In fact, "[i]t is never appropriate to rely solely on common knowledge in the art without evidentiary support in the record as the principal evidence upon which a rejection was based." *Id.*, at 2100-147.

Here, the claim elements conceded by the Examiner to be missing from Johnson are not so notoriously old and well known such that the taking of official notice would be proper without documentary support. In fact, in a previous Office Action, the Examiner had relied upon a secondary reference, Wiles, as disclosing subject matter conceded by the Examiner to be missing from Johnson. *See* 4/19/2006 Office Action at 4. The fact that the Examiner cannot rely upon Wiles anymore is evidence in and of itself that various elements of the claims that are not disclosed by Johnson are **not** of **such instant and unquestionable demonstration as to defy dispute**.

Claim 1 recites a first server associated with a merchant, and a service provider computer system associated with a service provider to which the merchant is subscribed, where the service provider computer system comprises a second server, communications infrastructure, third server, and fourth server. Claim 1 thus clearly delineates a server associated with a merchant from servers associated with the service provider computer system, where the servers of the service provider computer system provide the various tasks recited in claim 1. The benefit of using a service provider computer system that is separate from the server of the merchant, in accordance with some embodiments, is that the merchant (or subscriber) can outsource the burden of tax calculation and remittance to a service provider. *See* Specification, p. 42, lines 3-9.

The provision of a server associated with a merchant and a separate service provider computer system associated with a service provider to which the merchant is subscribed, where the service provider computer system has the servers of claim 1, is clearly not taught or hinted at

by Johnson. In fact, Johnson teaches subject matter that is both **different and inconsistent** with the claimed features.

Fig. 12 of Johnson depicts a web merchant 104 that is able to access a system administrator 108 for the purpose of obtaining taxability and tax rate information for items that are selected by a consumer making a purchase with the merchant. *See* Johnson, ¶ [0105]. The system administrator 108 of Johnson administers a master database that stores tax assessment information, including whether an item is taxable, non-taxable or tax-exempt, and if taxable, the appropriate tax rate. Johnson, ¶ [0062]. However, as specifically taught by Johnson, the transfer of accumulated tax to a state escrow account for making tax payments to a taxing jurisdiction is performed by the merchant, *not* by the system administrator. *See* Johnson, Fig. 12 (104, 122, 128), ¶ [0107]. In fact, Johnson explicitly states that the retailer "**must** first set up a separate ACH debit/credit account with its financial institution for the purpose of capturing tax." Johnson, ¶ [0103] (emphasis added). Rather than providing a service provider computer system (to which the merchant is subscribed) to perform the tasks of computing taxes due on a corresponding transaction ***and*** transmitting a file to a selected financial institution for remission of funds to a government authority, Johnson specifically teaches that the merchant (or retailer in the context of Johnson) **must** itself perform the task of transferring accumulated tax to the taxing jurisdiction.

Such teaching of Johnson is directly **at odds** with the claimed subject matter. For at least this reason, the obviousness rejection is clearly defective. Rather than hint at the claimed invention, the only reference (Johnson) relied upon by the Examiner **leads away** from the claimed invention, thereby establishing that claim 1 is clearly non-obvious over Johnson.

With respect to the rejection of claim 14, the Examiner took the position that the service provider computer system is construed by the Examiner to include not only the system administrator's on-line system but also the consumer's lending institution's on-line computer system. 3/18/2008 Office Action at 2. However, claim 1 recites that the service provider computer system is associated with "a" service provider to which the merchant is subscribed. The system administrator and consumer's lending institution constitutes two different providers. Therefore, this feature of claim 1 cannot be satisfied by Johnson. The obviousness rejection of claim 1 is defective for at least this reason.

The Examiner further conceded that Johnson fails to disclose receiving XML-based data and converting a database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network. 3/18/2008 Office Action at 5. Instead, the Examiner relied upon the taking of official notice of these features. *Id.* Specifically, the Examiner conceded that Johnson fails to disclose XML-based data, XML-based format, and TXP-based format. However, the Examiner took official notice that "XML is a broadly used language for Web developers . . . ," that "it is notoriously old and well known in the financial clearinghouse industry to use TXP-based format." *Id.*

Previously, the Examiner had relied upon Wiles as disclosing XML data. However, in response to arguments made by Appellant against the obviousness rejection over Johnson and Wiles regarding the deficiencies of Wiles, the Examiner removed Wiles as a reference that was relied upon in making the rejections. It is apparent that the Examiner was unable to identify any other reference that provided the requisite teaching of subject matter missing from Johnson, in this case, a fourth server to convert the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network. The feature

of converting XML to TXP is clearly **not** of **such instant and unquestionable demonstration as to defy dispute**; therefore, taking of official notice of this element is clearly improper. In fact, Appellant previously pointed out that Wiles, the secondary reference previously relied upon by the Examiner, failed to provide any teaching of hint of the subject matter conceded to be missing from Johnson. No other reference was cited in the final rejection to support the Examiner's allegation that the claim features missing from Johnson would be so well known that a person of ordinary skill in the art would have been prompted to incorporate such element into Johnson. It is therefore respectfully submitted that the obviousness rejection is further defective for this further reason.

In response to the Appellant's traversal of the Examiner's taking of "Official Notice" made in the Reply to Office Action dated September 17, 2007, the Examiner asserted that Appellant's arguments were inadequate. The Examiner argued that Appellant "has merely made a blanket statement contesting the official notice taken without pointing out how the specific official notice is erroneous." 3/18/2008 Office Action at 7. This characterization of Appellant's arguments is clearly erroneous, since Appellant presented a detailed explanation regarding why the Examiner's taking of "Official Notice" was improper in the context of the present invention.

The Examiner argued that Appellant has not shown "how it is not old and well known in the art of on-line computers to use XML language for websites?" *Id.* The Examiner also argued that Appellant has not shown how it is not old and well known "[i]n the art of financial clearinghouses to use TXP-based format?"

Appellant has pointed out specifically that the Examiner has failed to establish how the prior art discloses or hints at the following element of claim 1: "a fourth server hosting a fourth virtual portal, the fourth virtual portal having at least one application for receiving XML-based

data from the third server, converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, ..." Regardless of whether or not XML is the language used for developing websites or TXP is a format used for financial clearinghouses, the Examiner has failed to establish how a person of ordinary skill in the art would have been led by Johnson to the above-identified feature of claim 1, namely a fourth virtual portal of a fourth server that has at least one application for converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network.

After **five (5)** substantive office actions in this case, the Examiner to date has still failed to supply the requisite reference to establish that the above claim features are well known, despite requests from the Appellant.

Therefore, the Examiner's rejection of claim 1 based on the improper taking of "Official Notice" is clearly defective.

Independent claims 2 and 4 are allowable over Johnson and "Official Notice" for similar reasons.

Reversal of the final rejection of the above claims is respectfully requested.

2. Claims 6, 7, 9.

The obviousness rejection of claim 6 over Johnson and "Official Notice" is also defective for similar reasons as stated above.

Moreover, claim 6 further recites that the fourth server has an infrastructure service module having a series of discrete modular functions including a security module for insuring system security over the interactive communications network, a system backup and recovery module, a real-time and continuous accessibility module, a system monitoring module and a

system load balancing and scalability module. The Examiner took official notice that such features are "notoriously old and well known . . . ." 3/18/2008 Office Action at 6. Note that the Examiner had previously relied upon another reference, Propel, as disclosing features of claim 6 conceded by the Examiner not to be present in Johnson. *See* 4/19/2006 Office Action at 6. However, presently, the Examiner had removed Propel as a reference, and rather relied upon taking of official notice. It is apparent that objective evidence of record does not establish that features of claim 6 were notoriously old and well known—therefore, the taking of official notice of the additional features of claim 6 is also improper.

The obviousness rejection of claim 6 is therefore defective.

Independent claims 7 and 9 are similarly allowable.

Reversal of the final rejection of the above claims is respectfully requested.

3. Claims 10, 12, 13.

The obviousness rejection of claim 10 over Johnson and "Official Notice" is also defective.

Independent claim 10 recites a service provider computer system associated with a service provider and that has a web server to receive XML-based transactional data from servers associated with corresponding merchants that are subscribers of the service provider. Moreover, the service provider computer system further has a third device having a modular tax computation programming for computing any taxes due on the corresponding transactions, and a fourth device having modular tax remittance programming for converting the second selected file from an XML-based format to a TXP-based format for use in an automated clearinghouse institution for remission of funds to the governmental authority. For reasons similar to those given for claim 1, the cited references do not provide any teaching or hint of the above features,

and the taking of official notice with respect to the claim elements conceded to be missing from Johnson is improper since no evidence exists that teaches such claim elements and that a person of ordinary skill in the art would have been prompted to incorporate such claim elements into Johnson.

Independent claims 12 and 13 are allowable for similar reasons as claim 10.

Reversal of the final rejection of the above claims is respectfully requested.

4. Claim 11.

Independent claim 11 is also non-obvious over the asserted combination of Johnson and "Official Notice."

Claim 11 recites a service provider computer system associated with **the** service provider, which includes second, third, fourth, fifth, sixth, and seventh devices. The obviousness rejection of claim 11 is based on the erroneous assertion made against independent claim 14 that the "service provider computer system is construed by the Examiner to include not only the system administrator's on-line system, but also the consumer's lending institution's on-line computer system." 3/18/2008 Office Action at 2. This assertion is inconsistent with the claim language, which specifies a service provider computer system having the various devices that are associated with **the** service provider. The system administrator of Johnson is one service provider, and a lending institution is another service provider. Thus, Johnson does not provide any hint of a service provider computer system associated with one service provider, as recited in claim 11.

In view of the foregoing, it is respectfully submitted that the hypothetical combination of Johnson and "Official Notice" would not have led to the claimed invention. The obviousness rejection of claim 11 is therefore defective.

Reversal of the final rejection of the above claim is respectfully requested.

5. Claims 23-25.

Claims 23-25, which depend from base claims 20 and 10, are allowable for at least the same reasons as corresponding base claims. Moreover, the obviousness rejection of claims 23-25 is defective since an improper "Official Notice" as taken, as discussed above.

Reversal of the final rejection of the above claims is respectfully requested.

B. Claims 14 and 20-22 Rejected Under 35 U.S.C. § 102 as Anticipated by Johnson.

1. Claim 14.

Independent claim 14 was rejected as being anticipated by Johnson. A critical error made in the rejection is the following assertion by the Examiner: "service provider computer system is construed by the Examiner to include not only the system administrator's on-line system but also the consumer's lending institution's on-line computer system." 3/18/2008 Office Action at 2. This assertion is inconsistent with the claim language, which specifies "a" service provider, that the subscriber system is associated with a merchant that is a subscriber of "the" service provider, and that the service provider computer system is associated with "the" service provider. The system administrator is one service provider, and the lending institution is another service provider. Thus, in Johnson, as explained above in connection with Fig. 1, there is no service provider computer system associated with "the" service provider that has the elements of claim 14.

Claim 14 is therefore not anticipated by Johnson.

Reversal of the final rejection of the above claim is respectfully requested.

2. Claims 20-22.

Independent claim 20 is also similarly allowable since Johnson fails to disclose a service provider computer system associated with "a" service provider that comprises the elements of claim 20.

Therefore, claim 20 and its dependent claims are not anticipated by Johnson.

Reversal of the final rejection of the above claims is respectfully requested.

CONCLUSION

In view of the foregoing, reversal of all final rejections and allowance of all pending claims is respectfully requested.

Respectfully submitted,

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VIII. APPENDIX OF APPEALED CLAIMS

The claims on appeal are:

1. An intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authorities over an interactive communications network, the system comprising:

a first server associated with a merchant and hosting a first virtual portal, the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network; and

a service provider computer system associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server hosting a second virtual portal, the second virtual portal having at least one application for receiving data from the first server and for parsing the data received;

a communications infrastructure linking the first and second servers to one another;

a third server hosting a third virtual portal, the third virtual portal having at least one application for receiving transactional data from the second server, parsing the transactional data received for XML-based data, interpreting the XML-based data for selected data processing operations, storing the XML-based data in a first selected file of a first database, computing any taxes due on the corresponding transaction, and storing the tax due in a second selected first database file; and

a fourth server hosting a fourth virtual portal, the fourth virtual portal having at least one application for receiving XML-based data from the third server, converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority.

2. An intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authorities over an interactive communications network, the system comprising:

a first server associated with a merchant and hosting a first virtual portal, the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network;

a service provider computer system associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server hosting a second virtual portal, the second virtual portal having at least one application for receiving data from the first server and for parsing the data received;

a communications infrastructure linking the first and second servers to one another;

a third server hosting a third virtual portal, the third virtual portal having at least one application for receiving transactional data from the second server, parsing the transactional data received for XML-based data, interpreting the XML-based data for selected data processing operations, storing the XML-based data in a first selected file of a first database, computing any taxes due on the corresponding transaction, and storing the tax due in a second selected first database file;

a fourth server hosting a fourth virtual portal, the fourth virtual portal having at least one application for receiving XML-based data from the third server, converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority;

a fifth server hosting a fifth virtual portal, the fifth virtual portal having at least one application redundant to that of the third server; and

a sixth server hosting a sixth virtual portal, the sixth virtual portal having at least one application redundant to that of the fourth server.

4. An intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authorities over an interactive communications network, the system comprising:

a first server associated with a merchant and hosting a first virtual portal, the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network; and

a service provider computer system associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server hosting a second virtual portal, the second virtual portal having at least one application for receiving data from the first server and for parsing the data received;

a communications infrastructure linking the first and second servers to one another;

a third server hosting a third virtual portal, the third virtual portal having at least one application for receiving transactional data from the second server, parsing the transactional data received for XML-based data, interpreting the XML-based data for selected data processing operations, storing the XML-based data in a first selected file of a first database, computing any taxes due on the corresponding transaction, and storing the tax due in a second selected first database file; and

a fourth server hosting a fourth virtual portal, the fourth virtual portal having

at least one application for receiving XML-based data from the third server, converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority; and

at least one application for insuring system security over the interactive communications network, for system backup and recovery operations, for system real-time and

continuous accessibility, for operating system monitoring and for system load balancing and scalability.

6. An intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the system comprising:

a first server associated with a merchant and hosting a first virtual portal, the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network;

a service provider computer system associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server hosting a second virtual portal, the second virtual portal having at least one application for receiving data from the first server and for parsing the data received;

a communications infrastructure linking the first and second servers to one another;

a third server hosting a third virtual portal, the third virtual portal having at least one application for receiving data from the second server, parsing the data received for XML-based data and interpreting the XML-based data for selected data processing operations; and

a fourth server processing XML-based data from the third server, the fourth server including

a network service module having a plurality of modular functions, which comprise an applications module, a database module, a tax computation module and a tax remittance module, the service module receiving XML-based transactional data, storing the transactional data in a first selected file of the database, computing any taxes due on the corresponding transaction, storing the tax due in a second selected file of the database, converting the second file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority; and

an infrastructure service module having a series of discrete modular functions including a security module for insuring system security over the interactive communications network, a system backup and recovery module, a real-time and continuous accessibility module, a system monitoring module and a system load balancing and scalability module.

7. An intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the system comprising:

a first server associated with a merchant and hosting a first virtual portal, the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network;

a service provider computer system associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server hosting a second virtual portal, the second virtual portal having at least one application for receiving data from the first server and for parsing the data received;

a communications infrastructure linking the first and second servers to one another;

a third server hosting a third virtual portal, the third virtual portal having at least one application for receiving data from the second server, parsing the data received for XML-based data and interpreting the XML-based data for selected data processing operations; and

a fourth server processing XML-based data from the third server, the fourth server including

a network service module having a plurality of modular functions, which comprise an applications module, a database module, a tax computation module and a tax remittance module, the service module receiving XML-based transactional data, storing the transactional data in a first selected file of the database, computing any taxes due on the corresponding transaction, storing the tax due in a second selected file of the database, converting the second file from an XML-based format to a TXP-based format for receipt by an

automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority; and

an infrastructure service module having a series of discrete modular functions including a security module for insuring system security over the interactive communications network, a system backup and recovery module, a real-time and continuous accessibility module, a system monitoring module and a system load balancing and scalability module;

a fifth server hosting a fifth virtual portal, the fifth virtual portal having at least one application redundant to that of the third server; and

a sixth server hosting a fifth virtual portal, the sixth virtual portal having at least one application redundant to that of the fourth server.

9. An intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the system comprising:

a first server associated with a merchant and hosting a first virtual portal, the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network;

a service provider computer system associated with a service provider to which the merchant is subscribed, the service provider computer system comprising:

a second server hosting a second virtual portal, the second virtual portal having at least one application for receiving data from the first server and for parsing the data received;

a communications infrastructure linking the first and second servers to one another;

a third server hosting a third virtual portal, the third virtual portal having at least one application for receiving data from the second server, parsing the data received for XML-based data and interpreting the XML-based data for selected data processing operations; and

a fourth server hosting a fourth virtual portal, the fourth virtual portal having at least one application for processing XML-based data from the third server, the fourth server including a network service module having a plurality of modular functions, which comprise an applications module, a database module, a tax computation module and a tax remittance module, the service module receiving XML-based transactional data, storing the transactional data in a first selected file of the database, computing any taxes due on the corresponding transaction storing the tax due in a second selected file of the database, converting the second file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority; and

a fifth server hosting a fifth virtual portal, the fifth virtual portal having at least one application for processing XML-based data from the third server, the fifth server including an infrastructure service module having a series of discrete modular functions, including a security module for insuring system security over the interactive communications network, a system backup and recovery module, a real-time and continuous accessibility module, a system monitoring module and a system load balancing and scalability module.

10. A service provider computer system associated with a service provider for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the service provider computer system having a modular architecture which comprises:

a web server to receive XML-based transactional data from servers associated with corresponding merchants that are subscribers of the service provider;

a first device having modular applications programming for receiving the XML-based transactional data from the web server and storing the data in a first selected file;

a second device having modular database programming for storing the first selected file;

a third device having modular tax computation programming for computing any taxes due on the corresponding transactions, and effecting storage of the taxes due in a second selected file; and

a fourth device having modular tax remittance programming for converting the second selected file from an XML-based format to a TXP-based format for use in an automated clearinghouse network and periodically transmitting the file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority.

11. A program controlled apparatus for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the apparatus having modular architecture which comprises:

a first device having modular interface programming for a subscriber system that electronically contacts a service provider each time a taxable transaction is initiated, wherein the subscriber system is associated with a merchant that is a subscriber of the service provider;

a service provider computer system associated with the service provider, comprising:

a second device having modular tax computation programming operating on a server of the service provider computer system, the programming identifying the jurisdiction from which the merchandise purchased has been shipped, the jurisdiction to which the merchandise is shipped, the effective tax rates applicable from each jurisdiction;

a third device having modular transaction processing programming for consummating the transaction requested, the modular tax computation programming of the second device calculating any taxes due on the transaction;

a fourth device having modular funds transfer programming for automatically receiving information on the transaction consummation and effecting electronic transfer of the funds corresponding to the taxes due to an account of a selected financial institution;

a fifth device having modular tax payment programming for periodic transfer of funds aggregated in the account to at least one account of the government authority;

a sixth device having modular reporting and/or auditing programming for generating interactive reports and for permitting auditing by the government authority; and

a seventh device having modular tax return programming for automated generation of a tax return and transmitting the return electronically to the government authority.

12. An intelligent, program controlled service provider system associated with a service provider and having architecture for providing tax computation and remittance services over an interactive communications network, the service provider system including:

a web server to receive XML-based transactional data from servers associated with corresponding merchants that are subscribers of the service provider;

a first device having modular applications programming for receiving the XML-based transactional data from the web server and storing the data in a first selected file;

a second device having modular database programming for storing the first selected file;

a third device having modular tax computation programming for computing in real-time any taxes due on the corresponding transaction, and effecting storage of the taxes due in a second selected file; and

a fourth device having modular tax remittance programming for converting the second selected file from an XML-based format to a TXP-based format for use in an automated clearinghouse network and periodically transmitting the file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority.

13. An intelligent, program controlled service provider system associated with a service provider and having modular architecture for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the service provider system comprising:

a web server to receive XML-based transactional data from servers associated with corresponding merchants that are subscribers of the service provider;

a first device having modular applications programming for receiving the XML-based transactional data from the web server and storing the data in a first selected file;

a second device having modular database programming for storing the first selected file;

a third device having modular tax computation programming computing any taxes due on the corresponding transaction, and effecting storage of the taxes due in a second selected file; and

a fourth device having modular tax remittance programming for converting the second selected file from an XML-based format to a TXP-based format for use in an automated clearinghouse network and periodically transmitting the file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority.

14. A program controlled system having modular architecture for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authority over an interactive communications network, the system comprising:

a first device having modular interface programming for a subscriber system that electronically contacts a service provider each time a taxable transaction is initiated, wherein the subscriber system is associated with a merchant that is a subscriber of the service provider;

a service provider computer system associated with the service provider, comprising:

a second device having modular tax computation programming operating on a server of the service provider computer system, the programming identifying the jurisdiction from which the merchandise purchased has been shipped, the jurisdiction to which the merchandise is shipped, the effective tax rates applicable from each jurisdiction;

a third device having modular transaction processing programming for consummating the transaction requested, the modular tax computation programming of the second device calculating any taxes due on the transaction;

a fourth device having modular funds transfer programming for automatically receiving information on the transaction consummation and effecting electronic transfer of the funds corresponding to the taxes due to an account of a selected financial institution;

a fifth device having modular tax payment programming for periodic transfer of funds aggregated in the account to at least one account of the government authority;

a sixth device having modular reporting and auditing programming for generating interactive reports and for permitting auditing by the government authority; and

a seventh device having modular tax return programming for automated generation of a tax return and transmitting the return electronically to the government authority.

17. The intelligent, program controlled system of claim 1, wherein the service provider computer system further comprises an automated tax return generation and electronic filing system to generate and electronically file a periodic tax return with the selected government authority.

18. The intelligent, program controlled system of claim 17, wherein the service provider computer system further comprises a reporting system to generate a report of taxes due to the selected government authority.

19. The intelligent, program controlled system of claim 1, further comprising at least one other first server associated with a second merchant that is subscribed to the service provider computer system, the second virtual portal to further receive data from the at least one other first server and to parse the data received from the at least one other server.

20. A service provider computer system associated with a service provider to provide a tax calculation and payment service, the service provider computer system comprising:

a web server to receive transaction requests from subscriber computer systems associated with corresponding merchants who have subscribed to the tax calculation and payment service of the service provider;

one or more additional servers having a services module executable in the one or more additional servers, the services module comprising:

a first module to store transaction data of the transaction requests in at least one first file;

a tax computation module to compute tax due on transactions corresponding to the transaction data and to store the tax due in at least one second file; and

a tax remission module to convert the at least one second file from a first format to a second format for use by an automated clearinghouse network, and the tax remission module to transmit the at least one second file in the second format to a financial institution for remission of funds relating to the tax due.

21. The service provider computer system of claim 20, wherein the services module further comprises an automated tax return generation module to generate and electronically file a periodic tax return for each merchant.

22. The service provider computer system of claim 21, wherein the services module further comprises a reporting module to report tax information related to the transactions to one or more government authorities.

23. The service provider computer system of claim 20, wherein the first format comprises an XML format.

24. The service provider computer system of claim 10, wherein the modular architecture further comprises a fifth device having tax return generation programming to generate and file a periodic tax return for each merchant.

25. The service provider system of claim 23, wherein the second format comprises a TXP-based format.

IX. EVIDENCE APPENDIX

None.

X. RELATED PROCEEDINGS APPENDIX

None.